

**ASSEMBLY BILL**

**No. 2678**

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**Introduced by Assembly Member Gray**

February 19, 2016

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An act to add Sections 6453.1 and 7101.4 to the Revenue and Taxation Code, relating to state designated fairs, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2678, as introduced, Gray. State designated fairs: funding.

Existing law establishes the Fair and Exposition Fund to, among other things, allocate moneys for the support of the network of California fairs. Existing law requires certain license fees from satellite wagering to be deposited into a separate account in the Fair and Exposition Fund, and continuously appropriates those moneys for specified fair-related purposes, including, among others, the payment of expenses incurred in establishing and operating satellite wagering facilities at fairs and for health and safety repair and other projects at fairs. Existing sales and use laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state measured by sales price, and requires that revenues, less refunds, derived from a specified rate of that tax be transferred to specified funds and then the balance to the General Fund.

This bill would require a tax return filed for the purposes of the Sales and Use Tax Law to segregate the gross receipts of the seller and the sales price of the property on a form prescribed by the State Board of Equalization when the place of sale or use in this state is on or within

the real property of a state designated fair, as defined, or any real property of a state designated fair that is leased to another party.

This bill would require, except as specified, that 30% of all revenues, less refunds and costs of administration, derived from those segregated sales and use tax amounts that would have been deposited into the General Fund instead be deposited into that separate account in the Fair and Exposition Fund and continuously appropriated for those same types of fair-related purposes.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6453.1 is added to the Revenue and  
2 Taxation Code, to read:

3 6453.1. (a) For purposes of this part only, the return shall  
4 segregate the gross receipts of the seller and the sales price of the  
5 property on a form prescribed by the board when the place of sale  
6 in this state or use in this state for purposes of this part is on or  
7 within the real property of a state designated fair or any real  
8 property of a state designated fair that is leased to another party.

9 (b) For purposes of this section, “state designated fair” means  
10 a state designated fair as defined in Sections 19418, 19418.1,  
11 19418.2, and 19418.3 of the Business and Professions Code.

12 (c) The board shall develop a form for purposes of this section.

13 (d) Notwithstanding any provision of the Bradley-Burns  
14 Uniform Local Sales and Use Tax Law (Part 1.5 (commencing  
15 with Section 7200)) or the Transactions and Use Tax Law (Part  
16 1.6 (commencing with Section 7251)), this section shall not apply  
17 with respect to any tax levied by a county, city, or district pursuant  
18 to, or in accordance with, either of those laws.

19 SEC. 2. Section 7101.4 is added to the Revenue and Taxation  
20 Code, to read:

21 7101.4. Notwithstanding Section 7101 or any other law, except  
22 as otherwise required to be transferred pursuant to the California  
23 Constitution or Sections 6051.2, 6051.8, 6051.15, 6201.2, 6201.8,  
24 6201.15, and 7101.3 or subdivision (a) of Section 7102, 30 percent  
25 of all revenues, less refunds and costs of administration, derived  
26 under this part that were segregated pursuant to Section 6453.1,  
27 upon receipt shall be transferred to the Fair and Exposition Fund

1 in the State Treasury, and shall be deposited into the separate  
2 account in the fund specified in Section 19606.1 of the Business  
3 and Professions Code. Any amounts deposited into that account  
4 in the Fair and Exposition Fund pursuant to this section shall be  
5 continuously appropriated and allocated as provided in Section  
6 19606.1 of the Business and Professions Code, except that any  
7 amounts transferred to the Fair and Exposition Fund pursuant to  
8 subdivision (g) of Section 19606.1 shall be allocated in accordance  
9 with Section 19620.2 of the Business and Professions Code.

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